

NOTE: This revision made to incorporate Amendment No. 1 since an additional printing is required. Paragraphs 3e and 4 are deleted, being no longer applicable and paragraphs 2a(2) and 2c(4) are amended for purposes of clarification.

BUDGET - 94
FINANCE -116
FISCAL -106
FAS - 99
ICAD - 7
TAS -118

17 September 1959

CONFIDENTIAL

Finance 12/2/63
COMPTROLLER INSTRUCTION NO. 45 - Revised

SUBJECT : Payment of Claims Chargeable to Lapsed Appropriations Under Public Law 798, 84th Congress

RESCISSION: Comptroller Instruction No. 45, dated 12 June 1957
Comptroller Instruction No. 45 - Amendment No. 1
dated 10 July 1958

1. PURPOSE

The purpose of this Instruction is to provide the accounting policy and procedure to implement Public Law 798, 84th Congress, with respect to the payment of claims chargeable to lapsed appropriations.

2. POLICY

- a. The accounting for balances retained from lapsed appropriations for liquidation of outstanding obligations shall be performed in accordance with the following in order to simplify to the maximum extent practicable the detailed record keeping operations:

- (1) This Office shall establish, following the close of each fiscal year, on the records of the Fiscal and Finance Divisions, amounts of unliquidated obligations based upon detailed listings to be prepared by the Fiscal Division and by confidential fund allottees.
- (2) Fiscal and Finance Divisions ordinarily shall record expenditures relating to lapsed appropriations as reductions of the gross amounts of unliquidated obligations previously recorded; however, where individual claims of substantial amounts (e.g., claims exceeding \$10,000) are processed for payment, irrespective of whether or not an obligation therefor had been recorded, consideration shall be given to their effect upon undisbursed balances for purposes of assuring that undisbursed balances are sufficient to satisfy the amount of the payments.

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NO CHANGE IN CLASS. ☐
☐ DECLASSIFIED
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NEXT REVIEW DATE: 20/2/63
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- (3) Fiscal and Finance Divisions shall, at the end of each month, review the undisbursed balances of lapsed appropriations to determine the status thereof and take any action deemed necessary.

3. PROCEDURES

a. GENERAL

- (1) Separate asset and budgetary accounts (hereinafter called "M" accounts) shall be established using the suffix "M" to control available assets, obligations and expenditures after the expiration of the second full fiscal year following the fiscal year or years for which the appropriation was available for obligation.
- (2) At the close of each fiscal year detailed listings shall be used as bases for establishing the amounts of unliquidated obligations for which funds shall be retained by the Agency in the separate appropriation accounts established in accordance with the preceding paragraph. These listings for vouchered fund obligations shall be prepared by the Fiscal Division; for confidential fund obligations the listings shall be obtained by the Finance Division from the allottees. The listings obtained by the Finance Division from confidential fund allottees shall be adjusted to include expenditures applicable to the lapsed appropriations which were recorded by field stations prior to 30 June and by headquarters on or after the books are closed as of 30 June. The listings, except for the items included by the Finance Division pursuant to the preceding sentence, will show the date of incurrence and amount of all unliquidated obligations relating to lapsed appropriations, as well as the dates and amounts of any receivables relating to the lapsed appropriations. The Fiscal and Finance Divisions shall transmit such listings to the Budget Division for its use in determining the amounts to be established in the "M" accounts.

b. BUDGET DIVISION

The Budget Division shall:

- (1) Review vouchered and confidential funds listings of prior years' unliquidated obligations and receivables and determine the amounts which should be established in the "M" accounts by the Fiscal and Finance

Divisions. In this connection consideration should be given to the status of the obligations and receivables in terms of the prospects of payments and collections with due regard to the statutes of limitations affecting unpaid accounts.

- (2) Obtain necessary approvals from the Bureau of the Budget, the Treasury Department, and the General Accounting Office for the adjustments required between regular appropriations and "M" accounts.
- (3) Prepare memorandum advices to Finance and Fiscal Divisions to serve as bases for recording such amounts in the "M" accounts.
- (4) Authorize all transactions involving the return of lapsed funds to the U.S. Treasury and prepare any necessary requests for restoration of lapsed funds.

c. FINANCE DIVISION

The Finance Division shall:

- (1) Record prior years' unliquidated confidential funds obligations based upon memorandum advice from the Budget Division.
- (2) Maintain appropriate "M" accounts applicable to lapsed appropriations which reflect the available balances of funds and obligations established for confidential funds transactions.
- (3) Code expenditures relating to lapsed appropriations with an "M" in lieu of the fiscal year designation, and code each expenditure with the allotment account number under which the obligation was initially incurred, e.g., M-3615-72-118; also, reflect the obligation reference number when it is available. In this manner the fiscal year designator "M" will control unliquidated obligations applicable to lapsed appropriations and identify expenditure transactions relating to such appropriations to provide a basis for inclusion in the cost report and for the periodic preparation of a separate expenditure report by allottees.
- (4) Prepare and transmit to the Fiscal Division quarterly advices of adjustments made to the 136.M account. After the adjustment, the combined balances of accounts 135.M, 136.M, 137.M and 138.M should be equivalent to the balance of account 520.M.

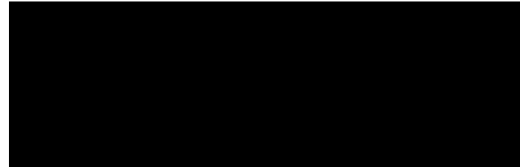
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d. **FISCAL DIVISION**

The Fiscal Division shall:

- (1) Record prior years' unliquidated obligations based upon memorandum advice from the Budget Division.
- (2) Maintain appropriate "M" accounts applicable to lapsed appropriations which reflect the available balances of funds and obligations established for vouchered funds.
- (3) Record appropriate adjustments between regular appropriation fund accounts and the "M" fund accounts, based upon advices furnished by the Finance Division.



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Deputy Comptroller